

News from the Treasurer



Happy New Year one and all! Here in the State House the first week of January always brings that sense of anticipation that comes with the rush of legislators coming in the door. Funny thing I've noticed over the last three years... most of the time the Indiana State Capitol is more like a museum than an office building. Quiet. Orderly. Peaceful. But when the legislature is in session there is a constant sound, a rumble, almost a vibration of excitement that permeates the building.

As we enter 2010, we who are responsible for investing the public's funds, much like the rest of you, hope for higher interest rates. Undoubtedly rates will be inching upward, but I expect it will be mid-summer before we see any real movement. That being said, given the present market conditions, TrustIndiana has and continues to offer a very competitive rate of return. I routinely check the returns on other state's TrustIndiana-like programs and am pleased to report that our returns are consistently at or near the top. By way of comparison, as I write this TrustIndiana is paying .36% and our neighbor to the east, the StarOhio fund is paying .07% interest on monies of local

government units. For further illustration, check the next page for a chart that compares our rate versus the Standard and Poor's Local Government Investment Pool Index.

One reason our earnings rate has been higher than other local government investment pools around the nation is that we keep at least 50% of our funds in Indiana institutions. That won't always work to our advantage, but in this market it certainly has done so.

In all of the economic turmoil of the last twenty-four months I've come to have great appreciation for the pressures and demands on local government officials. Many times the work you do prevents you from finding the time to refresh your investing skills, understand the myriad of statutes that you must obey and fully understand your investing options. Last year I re-instituted a "Public Funds Management Institute" so that members of my staff could share their expertise to local officials. The four sessions (Valparaiso, Columbus, Vincennes and Fort Wayne) got rave reviews. So, my New Year's Resolution for the Treasurer's Office is that we hold a "Public Fund Management Institute" once each month starting in February.

As we begin scheduling the training sessions, our goal is that no one will have to drive too far in order to attend. They'll each begin in the late morning and last till mid afternoon and we provide lunch. All sessions are presented by state employees and are not intended to be sales pitches. There is no cost to attend and we even throw in lunch for free! Keep an eye on your mailbox and email box as you'll soon be hearing of our Public Fund Management Institute schedule.

Happy New Year to you and yours and may we all enjoy a year of peace and blessings.

Richard Mourdock, Indiana State Treasurer

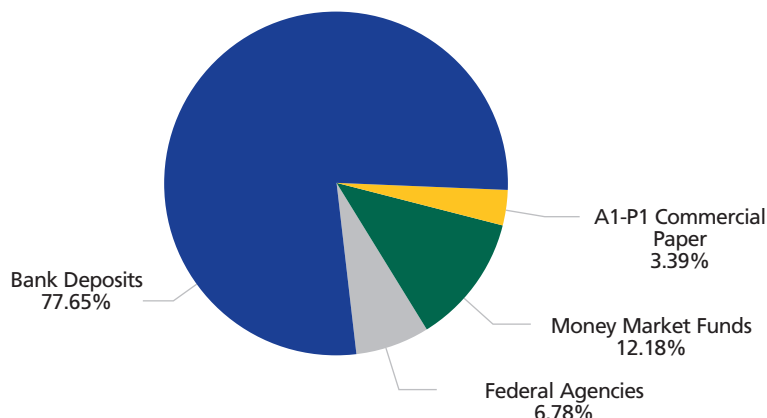
Peer Review

What I really like about TrustIndiana is the ease of moving money from the account to the city's AP Account. I also like and appreciate the monthly reports. It makes my record keeping a breeze.

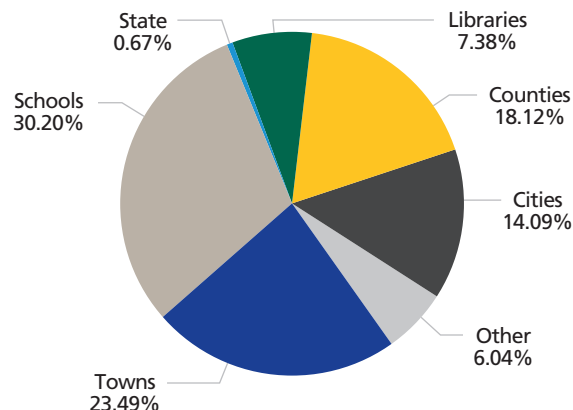
– Ruth Ellen Bland, IAMC/CMC
Logansport Clerk-Treasurer

Fund Highlights as of December 31, 2009:

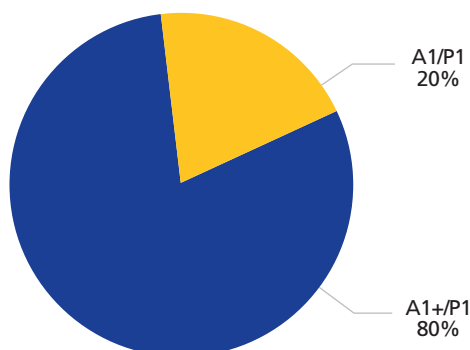
Portfolio Composition



Participant Breakdown

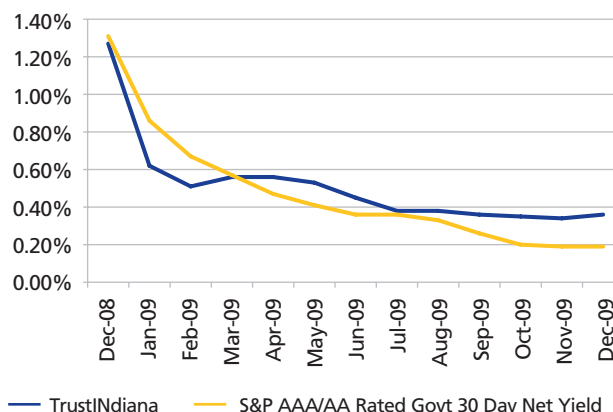


Investment Credit Quality



TrustIndiana vs S&P AAA/AA GIP

(30 Day Avg Yields)



| Month | Avg Daily Yields | WAM | NAV | Month Ending Net Assets |
|--------|------------------|---------|--------|-------------------------|
| Sep-09 | 0.36% | 11 Days | 1.0002 | \$539,436,121 |
| Oct-09 | 0.35% | 23 Days | 1.0002 | \$528,881,010 |
| Nov-09 | 0.34% | 15 Days | 1.0001 | \$601,830,350 |
| Dec-09 | 0.36% | 20 Days | 1.0000 | \$590,224,530 |



TrustIndiana

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